



A Brown Coal Plan That's Worse Than Finkel?

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The Victorian Government's new [Statement on Future Uses of Brown Coal](#), released earlier this month, is further proof that there is no such thing as bipartisanship when it comes to energy policy, and that those who strive for agreement are on a fool's errand.

The [press release](#) accompanying the statement said that the government had "unveiled a new policy that will drive investment, create jobs and balance environmental needs in future Victorian coal projects."

The policy also allegedly "supports projects that create highly-skilled jobs and boost investment in areas like the Latrobe Valley and Gippsland."

Sounds great for a state whose historic wealth was built on mining — gold — and whose world-class gas and brown coal deposits gave it Australia's lowest cost energy for decades.

But it always pays to read the fine print.



While the Andrews Government claims to be open to new projects, and to creating jobs in the Latrobe Valley, the two page statement says that “decisions regarding new uses of brown coal will be made against the backdrop” of the State Government’s commitments to reduce carbon dioxide emissions by 15-20 per cent between 2005 and 2020, and to achieve “net zero greenhouse emissions” by 2050.

It also said that emissions standards for new projects “initially be set equivalent to emissions from existing efficient gas-fired generation i.e. 0.3 tonnes of CO2 equivalent per tonne of coal or 0.45 tonnes of CO2 equivalent per megawatt hour.”

In plain English, these are virtually impossible benchmarks for any coal project to achieve, akin to saying that you’re happy to eat vegetarian food so long as it comes from an animal.

It also shows the damage that targets and goals can do when the policy and program rubber actually hits the road.

Carbon dioxide is as inevitable an outcome from coal-fired power stations as it is from human breathing. Assessing mining and electricity projects on the basis that in 2050 Victoria must have no net emissions virtually guarantees that no project will make the grade.

The old Hazelwood Power Station emitted 1.5 tonnes of CO2 per megawatt hour of electricity produced and Victoria’s most modern operational plant, Loy Yang B, emits around 1.2 tonnes. In Germany, the global brown coal industrial powerhouse, emissions at the upgraded Neurath power station are 0.9 tonnes and its planned BOA plant will be 0.75 tonnes.

Setting new brown coal power station emissions limits at half the level of world’s best practice and referencing a benchmark that uses a different fuel source — gas — makes no sense, and is worse than the Finkel Review.

The statement also makes it clear that with some exceptions, the government prefers that “new brown coal projects source their coal from existing mines” which is hard to reconcile with claims to support jobs and industry growth.

The only possible outcome is the eventual departure of all existing brown coal generators from the Victorian market with no replacements. Given that coal accounts for around 80 per cent of Victorian electricity, this is a big problem.

However, given that this brown coal policy was announced only two days after [a \\$50,000 grant](#) to radical environmental lawyers Environmental Justice Australia to “help Victorians engage in the process of approving projects” on top of the ban on new gas fields and adherence to the 34-year-old prohibition on uranium mining, it is hard to shake the feeling that the Greens are setting the policy agenda

A feeling reinforced by the astounding [weekend announcement](#) that the Andrews Government would spend \$4.7 million on climate change innovation grants and workshops throughout the



state, which was [welcomed](#) by Friends of the Earth as it would “bring jobs and investment to regional Victoria.”

The Victorian Government should be doing everything it can to support new private sector jobs in mining, develop new brown coal projects and reduce the cost of energy. This means new mines, new power stations and new competitors to existing generators.

None of these objectives can be achieved by looking at the electricity sector through carbon dioxide glasses.

As long as policy makers continue down this path, blackouts and electricity rationing will become more common and the price rises of over 100 per cent since 2006 will be just the beginning.

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